



JIM JONES  
Director

## County of Los Angeles INTERNAL SERVICES DEPARTMENT

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*"To enrich lives through effective and caring service"*

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May 14, 2015

To: Audit Committee

From: Dave Chittenden  
Chief Deputy Director

A handwritten signature in blue ink, appearing to read "D. Chittenden", is written over the printed name and title.

**Subject: REVIEW OF BOARD POLICY NO. 3.020  
CLEAN FUEL – SUSTAINABLE FLEET**

In response to the Board of Supervisors request, the Internal Services Department in conjunction with other Departments, revised Board Policy 3.020 - Clean Fuel – Sustainable Fleet Policy. At this time, we are recommending the following revisions:

- Reference Section – Added links "July 1, 2011 Chief Executive Office Policy/Procedure/Guidelines – County Vehicle Policy," "California's Global Warming Solutions Act (AB 32)," "California's Sustainable Communities Strategy (SB 375)," and "Vehicle Retirement and Replacement (SB 1275)."
- Policy Section – Updated the current policy to incorporate enhanced green vehicle components and added vehicle replacement criteria and procedures based on consultant recommendations.
- Date Issued/Sunset Date – Extend the sunset review date to March 31, 2019.

Attached is the revised red-line version of the policy and a one page Fact Sheet on vehicle replacement.

If you have any questions regarding this policy review or recommendations, please contact Joe Sandoval at (323) 267-2109, or via email at: [jsandoval@isd.lacounty.gov](mailto:jsandoval@isd.lacounty.gov).

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Attachment

c: Acting Executive Officer, Board of Supervisors  
Interim Chief Executive Officer  
Auditor-Controller  
County Counsel



## Los Angeles County BOARD OF SUPERVISORS POLICY MANUAL

Policy #:	Title:	Effective Date:
3.020	Clean Fuel <del>Program</del> <u>Sustainable Fleet</u>	<del>01/10/95</del> <u>XX/XX/15</u>

### PURPOSE

Establishes a clean air ~~– sustainable fleet–~~ policy to improve air quality in the South Coast Basin through the expanded use of clean fuels for County vehicles in conjunction with other County-sponsored environmental programs ~~to the extent it is financially feasible. This policy establishes standards for new vehicle purchases and vehicle replacement cycles that will ensure the County's vehicles are replaced in a fiscally responsible and consistent manner that reduces energy/fuels consumption, criteria pollutants generation, and greenhouse gas (GHG) emissions.~~

~~The goals are to transition as many vehicles to clean fuels as possible and establish gasoline/electric and diesel/electric powered (hybrid) vehicles as the standard type of new non-emergency passenger sedan to be acquired by County departments, beginning no later than July 1, 2006.~~

### REFERENCE

September 20, 1994 Board Order, [Synopsis 9](#)

[November 30, 1994](#) Chief Administrative Office and Internal Services Department memo, "Los Angeles County Clean Fuels Policy"

January 10, 1995 Board Order, [Synopsis 8](#)

November 15, 2005 [Board Order No. 2](#)

February 3, 2009 [Board Order No. 23](#)

[July 1, 2011 Chief Executive Office Policy/Procedure/Guidelines – County Vehicle Policy](#)

[California Air Resources Board \(CARB\)](#)

[South Coast Air Quality Management Districts \(AQMD\)](#)

[California's Global Warming Solutions Act \(AB 32\)](#)

[California's Sustainable Communities Strategy \(SB 375\)](#)

[Vehicle Retirement and Replacement \(SB 1275\)](#)

## POLICY

It is the policy of the County of Los Angeles to transition its motor vehicle fleet to viable clean fuels, including hybrids and alternative fuels vehicles, as approved by the California Air Resources Board (CARB) and South Coast Air Quality Management Districts (AQMD), to ensure that hybrid and alternative fuel vehicles become the standard for new non-emergency vehicles passenger sedans acquired to conduct routine County business. The Clean Fuels Policy shall be executed in compliance with following guidelines:

The following County standards are provided for new vehicle purchases:

1. ~~Department/District Heads~~ The standard for all new non-emergency passenger sedans for conducting routine County business shall be responsible for implementing the Clean Fuels Program within their department. Departments shall pursue funding available from a variety of sources and may work with other public/private agencies to share resources, coordinate efforts, and apply jointly for available funds. hybrid vehicles<sup>1</sup>, and shall have a minimum EPA Combined City/Highway fuel consumption of 35 miles per gallon and produce less than 250 grams of CO<sub>2</sub> per mile, as rated by the U.S. Environmental Protection Agency. Any exceptions to this provision shall be made for cause and approved by the Chief Executive Office (CEO) in consultation with ISD for technical clarification.

Additionally, departments shall make at least ten percent (10%) of the non-emergency passenger sedans purchased as original equipment manufactured Transitional Zero Emission Vehicles (T-ZEVs)<sup>2</sup> or Zero Emission Vehicles (ZEVs)<sup>3</sup>. All T-ZEV Sedans shall have a minimum all-electric range of at least 16 miles. Any exceptions to this provision shall be made for cause and approved by the CEO in consultation with ISD for technical clarification.

2. Whenever practical and economically feasible, new vehicle purchases will be clean fuel vehicles. All vehicle purchases must comply with CARB's and AQMD's rules and regulations.

Non-emergency passenger sedans:

- The standard for new non-emergency passenger sedans for conducting routine County business are hybrid vehicles (e.g. electric-gas powered) effective July 1, 2006 per the November 15, 2005 Board Order. Alternative technologies (e.g., plug-in electric vehicles) may also be considered based on a documented analysis of the technology's appropriateness for its intended use, fuel efficiency, environmental impact, cumulative cost of ownership over the vehicle's useful life, etc.

Non-Emergency trucks, medium and heavy-duty vehicles with an emphasis on buses, trucks, and waste collection vehicles:

- 2. The standard for new non-emergency trucks and medium to heavy-duty vehicles (Gross Vehicle Weight over 14,000 pounds) with emphasis on buses, trucks, street sweepers,

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<sup>1</sup> Examples of Hybrids: Ford C-MAX, Ford Fusion, Honda Accord, Honda Civic, Toyota Prius, Toyota Camry, etc.

<sup>2</sup> Examples of T-ZEVs: Chevrolet Volt, Ford CMAX Energi, Ford Fusion Energi, etc.

<sup>3</sup> Examples of ZEVs: Chevrolet Spark EV, Ford Focus Electric, Kia Soul EV, Nissan LEAF, Volkswagen e-Golf

~~and waste collection vehicles will be Compressed Natural Gas (CNG), or other alternative fuels other than diesel, will be Compressed Natural Gas (CNG), or other alternative fuels other than gasoline powered vehicles.~~

3. Departments shall make at least 10% of all non-emergency light duty trucks or vans (14,000 pounds Gross Vehicle Weight or less) purchased as original equipment manufactured alternative fuel, such as CNG, Propane (LPG), T-ZEV or ZEV (Plug-In models). Any exceptions to this provision shall be made for cause and approved by the CEO, in consultation with ISD for technical clarification.

4. ~~3.~~ Departments shall provide basis for seeking an exemption from the acquisition of hybrid-powered non-emergency passenger sedans or alternative fuel non-emergency trucks and medium to heavy-duty vehicles will submit a letter, (with their requisition) signed by the Department Head and addressed to the County's Purchasing Agent (ISD), explaining why a hybrid passenger sedan or alternative fuel non-emergency trucks and medium to heavy-duty vehicles does not meet their requirements, vehicles not meeting the County standards to the CEO for review and approval. The written approval must be submitted along with the vehicle purchase requisition to the Internal Services Department's (ISD) Purchasing Division.

All exemptions will be reported by ISD, or the appropriate reporting department, in their Annual Clean Fuels – Sustainable Fleet report. (See No. 4-5 below)

5. ~~4.~~ Departments that manage fleet operations shall report to the Board by March 1<sup>st</sup> each year on the composition of their fleet and the number of vehicles powered by clean fuels, including hybrids and other alternative fueled vehicles.

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The following are the guidelines to achieve a systematic approach to vehicle replacement:

1. All departments will utilize the following vehicle fleet replacement cycle standards for light-duty vehicles:

Vehicle Class	Years	Mileage
Emergency Response Vehicle *	7	110,000
Sedan	8	115,000
SUV	8	105,000
Van	8	105,000
Truck-Light-duty *	9	110,000

\* Emergency Response Vehicle includes light duty emergency-related vehicles used by Sheriff, Fire, Probation, and District Attorneys defined by the California Vehicle Code Sections 165, 30, 25269, 21055, and 27002. Light duty trucks are defined as those of 14,000 pounds gross vehicle weight or less. All vehicle replacement standards are applicable on 'whichever comes first' basis.

2. Vehicles become candidates for replacement when they reach either the age or mileage replacement criteria, whichever comes first. When vehicles are identified as candidates for replacement, the vehicles are not mandated to be replaced. Rather, vehicle replacement candidates will be subject to further analysis, including current utilization level; front-line or backup assignment status; repair history and pending repair/refurbishment costs; perceived reliability, suitability, and safety; and ease of replacement. Departments will report the results of this review to the CEO as part of their annual vehicle budget requests.
3. Departments will consult with the CEO to develop budgetary plans to fund replacement vehicles. Vehicle replacement will be coordinated centrally through the CEO as part of the annual budget process. ISD will provide fleet utilization and repair historical data and help develop the replacement strategy for departments that use ISD Fleet Services. Other departments will similarly work directly with the CEO. Each department should prepare an annual vehicle replacement plan.
4. Departments shall review vehicle utilization for opportunities to reduce fleet operating costs. Where feasible, departments shall reduce vehicle counts by pooling, renting County motor pool vehicles, employee mileage reimbursement, etc. Departments shall review vehicles that are driven 5,000 miles or less annually. Generally, such vehicles will be considered underutilized, and should be removed/turned in or redeployed unless fully justified based on business/operating requirements. Departments are advised to periodically rotate higher use vehicles with lower use units.
5. Increases to departmental vehicle counts will require CEO approval based on operating and/or program needs.
6. Unless otherwise justified based on operating/business needs, vehicles must be replaced "in kind". Replacement vehicles must meet departmental business requirements, limit features/accessories to those that improve safety and/or reduce

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risk or liability issues, enhance employee productivity, and are clearly needed for operations.

7. In procurement calculations of the Total Cost of Ownership bid evaluation shall utilize replacement mileage standards detailed above to determine the lowest responsible bid.

8. All retired/replaced vehicles must be turned in for disposal or salvage, and may not be retained within any County operation unless approved by the CEO. For salvaged vehicles, auction proceeds will be deposited to Motor Vehicle Accumulated Capital Outlay (MVACO) and returned as appropriate to each department.

~~Departments will consult with the CEO to develop budgetary plans to fund replacement vehicles.~~

#### RESPONSIBLE DEPARTMENT

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Internal Services Department

Chief Executive Office

#### DATE ISSUED/SUNSET DATE

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Issue Date: January 10, 1995	Sunset Review Date: January 10, 2004
Review Date: February 19, 2004	Sunset Review Date: January 10, 2007
Review Date: November 15, 2005	Sunset Review Date: January 10, 2009
Review Date: January 18, 2007	Sunset Review Date: January 10, 2010
Reissue Date: February 3, 2009	Sunset Review Date: January 10, 2010
Reissue Date: February 18, 2010	Sunset Review Date: February 18, 2014
Review Date: December 18, 2013	Sunset Review Date: February 18, 2016
<u>Issue Date: XXXXX ##, 2015</u>	<u>Sunset Review Date: December 31, 2016</u>

### Vehicle Fleet Replacement Plan

ISD engaged Mercury Associates Inc. to review the light vehicle fleet and provide a report and recommendations to include:

- Information on established industry standards for light duty vehicle replacement
- Fleet replacement cycles for light-duty vehicles
- A multiple-year fleet replacement plan
- A recommendation on a Fleet replacement policy.

#### Replacement Cycle Light Duty Vehicles

Vehicle Type:	Industry Standard:	Recommended for County:
Sedans	8 years or 100,000+ miles	8 years or 115,000 miles
Vans and SUVs	8 years or 100,000+ miles	8 years or 105,000 miles
Emergency service sedans	5 years or 100,000+ miles	7 years or 110,000 miles
Light duty trucks	10 years or 110,000+ miles	9 years or 110,000 miles

These replacement standards are used as a baseline to identify vehicles for individual review. The standards reflect empirical data from the vendor's Optimal Replacement Cycle Analysis (ORCA), which analyzes fleet capital and operating costs to determine the lowest cost replacement cycle for each vehicle type. The County's historical maintenance and repair costs were used to identify cost trends and corresponding mileage intervals for each class. Generally, vehicles should be replaced when they reach either age or usage criteria above, whichever comes first.

#### Multiple-Year Fleet Replacement Plan

Fiscal Yr	Vehicles Replaced		Replacement Costs		Average Fleet Age	
	Status Quo	Renewal	Status Quo	Renewal	Status Quo	Renewal
2014-15	139	608	\$5.2	\$19.8	8.5	6.5
2015-16	147	580	\$5.01	\$19.19	8.7	5.4
2016-17	148	559	\$5.01	\$19.31	9.3	4.7
2017-18	145	543	\$5.0	\$19.62	9.7	4.1
2018-19	141	573	\$5.0	\$19.90	10.0	3.6
Total	720	2,863	\$5.0	\$97.82		

The Renewal Replacement results in the replacement of 74% of current vehicles over a 5-year period versus only 19% if County were to continue spending only \$5M annually. The 3,891 light duty vehicles maintained by ISD were included in analysis. At time of the study, 64% exceeded recommended replacement criteria which would cost \$80.8M to replace.

Benefits include optimize vehicle replacement cycles, improve fuel economy and reduce greenhouse gas emissions Improve vehicle safety, and reduce total cost of ownership and maintain value of County capital assets

#### Budget Request

ISD has requested \$1.9 million for the first 6 months LAC-CAL payments for FY 2015-16 in order to replace vehicles with an estimated replacement cost of \$16,268,529. This amount is the balance of the original \$19,800,984 estimate for year one of the smoothed vehicle replacement plan as provided by Mercury Associates Inc.